

## Senate Bill No. 953

### CHAPTER 426

An act to add Article 2 (commencing with Section 71730) to Chapter 5 of Part 5 of, and to add Part 11.6 (commencing with Section 72770) to, Division 20 of the Water Code, relating to the Central Basin Municipal Water District.

[Approved by Governor September 21, 2016. Filed with  
Secretary of State September 21, 2016.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 953, Lara. Central Basin Municipal Water District.

Existing law, the Municipal Water District Law of 1911, authorizes the formation of a municipal water district to acquire and sell water. The district law authorizes a municipal water district to make contracts.

This bill would prohibit the Central Basin Municipal Water District from using sole source contracts, except as prescribed. This bill would require the district to rebid a contract if the district significantly changes the scope of work of the contract. This bill would require the general manager of the district to submit a quarterly report to the district's board detailing all of the district's contracts, contract amendments, and contract and amendment dollar amounts. By imposing new duties on a municipal water district, this bill would impose a state-mandated local program.

The district law provides that the board of directors of a municipal water district shall act only by ordinance, resolution, or motion which shall only pass to become effective with the affirmative vote of a majority of the members of the board.

This bill would require that no ordinance, motion, or resolution relating to the ethics, compensation, or benefits of the members of the Central Basin Municipal Water District board of directors be passed or become effective without the affirmative votes of  $\frac{2}{3}$  of the members of the board.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Central Basin Municipal Water District.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

This bill would become operative only if AB 1794 of the 2015–16 Regular Session is enacted and becomes effective on or before January 1, 2017.

*The people of the State of California do enact as follows:*

SECTION 1. Article 2 (commencing with Section 71730) is added to Chapter 5 of Part 5 of Division 20 of the Water Code, to read:

Article 2. Central Basin Municipal Water District

71730. (a) For the purposes of this article, “district” means the Central Basin Municipal Water District.

(b) It is the intent of the Legislature in enacting this article that the district make better use of the funds it spends on services, that it does not unnecessarily use amendments that limit competitive bidding for its contracts, and that its contract amendments reflect the authorization of the district’s board.

71731. (a) The district shall not use sole source contracts unless one of the following conditions is met:

(1) The contract is limited to an emergency circumstance.

(2) The circumstances are that only one vendor can meet the district’s needs.

(b) Before executing a sole source contract, the district shall provide written justification demonstrating the reasons for not competitively bidding the services. The justification shall include all of the following information:

(1) The background of the purchase.

(2) A description of the vendor’s uniqueness.

(3) An explanation of the consequences of not purchasing from the vendor.

(4) Market research to substantiate a lack of competition.

(5) An analysis of pricing and alternatives.

71732. The district shall rebid a contract if the district significantly changes the scope of work of the contract. Significant changes include, but are not limited to, changes to the nature of the services or work products.

71733. The general manager of the district shall submit a quarterly report to the district’s board detailing all of the district’s contracts, contract amendments, and contract and amendment dollar amounts.

SEC. 2. Part 11.6 (commencing with Section 72770) is added to Division 20 of the Water Code, to read:

PART 11.6. CENTRAL BASIN MUNICIPAL WATER DISTRICT

72770. Notwithstanding Section 71274, no ordinance, motion, or resolution relating to the ethics, compensation, or benefits of the members of the Central Basin Municipal Water District board of directors shall be passed or become effective without the affirmative votes of two-thirds of the members of the board.

SEC. 3. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of

Section 16 of Article IV of the California Constitution because of the unique circumstances of the Central Basin Municipal Water District as described in the California State Auditor’s December 3, 2015, report number 2015-102.

SEC. 4. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 5. This act shall become operative only if Assembly Bill 1794 of the 2015–16 Regular Session is enacted and becomes effective on or before January 1, 2017.